

STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Minutes of the September 10, 2008, Energy Commission Business Meeting.

The meeting was called to order at 10:02 by Chairman Jackalyne Pfannenstiel. The Pledge of Allegiance was led by Chairman Pfannenstiel.

Present:

Jackalyne Pfannenstiel, Chairman
James D. Boyd, Vice Chair
Arthur H. Rosenfeld, Commissioner
Jeffrey D. Byron, Commissioner
Karen Douglas, Commissioner

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A Commissioner may request that an item be moved and discussed later in the meeting.)
 - a. WESTERN INTERSTATE ENERGY BOARD. Possible approval of Contract 150-08-001 for \$18,000 with Western Interstate Energy Board (WIEB) for annual membership dues. Approval of this contract will allow the Energy Commission to participate in WIEB meetings and deliberations. (ERPA funding.) Contact: William Chamberlain.
 - b. BORDER ENERGY FORUM XV ANNUAL CONFERENCE. Possible approval of \$3,000, staff time, travel expenses, and use of the Energy Commission's name to co-sponsor the Border Energy Forum XV Annual Conference in Nuevo Leon, Monterrey, Mexico, October 23 - 24, 2008. (ERPA funding.) Contact: Alan Argentine.
 - c. CALIFORNIA CLEAN VEHICLE TECHNOLOGY EXPO. Possible approval of \$4,950, staff time, travel expenses, and use of the Energy Commission's name to co-sponsor the Southern California Clean Vehicle Technology Expo in Ontario, California, October 13 - 15, 2008. (ERPA funding.) Contact: Pilar Magana.
 - d. LAKE ARROWHEAD SYMPOSIUM ON TRANSPORTATION/LAND USE/ENVIRONMENT CONNECTION. Possible approval of \$2,000, staff time, and use of the Energy Commission's name for the Annual Lake Arrowhead Symposium on Transportation/Land Use/Environment Connection in Lake Arrowhead, California, October 19 - 21, 2008. (ERPA funding.) Contact: Bill Pfanner.
 - e. SOLAR POWER INTERNATIONAL. Possible approval of \$4,950 and use of the Energy Commission's name to co-sponsor the Solar Power International Conference in San Diego, October 13-16, 2008. Contact: Marija Krapceovich.

Commissioner Rosenfeld moved and Commissioner Byron seconded approval of the Consent Calendar. The vote was unanimous. (5-0)

2. PALMDALE HYBRID POWER PROJECT. (08-AFC-9). Contact: John Kessler. (10 minutes)

- a. Possible approval of the Executive Director's data adequacy recommendation for City of Palmdale's Application for Certification of the Palmdale Hybrid Power Project. The proposed project is a combined-cycle generating facility integrating 250 acres of parabolic trough solar collectors that would contribute up to 50 megawatts (MW) of the total nominal generating capacity of 617 MW, in Los Angeles County, California.

Commissioner Douglas moved and Commissioner Byron seconded approval of the Executive Director's recommendation that the AFC be found data inadequate at this time. The vote was unanimous. (5-0)

- b. Possible appointment of a siting committee for the Palmdale Hybrid Power Project.

No action was taken on Item 2b.

3. GWF TRACY COMBINED CYCLE POWER PLANT (08-AFC-7). Contact: Christopher Meyer. (10 minutes)

- a. Possible approval of the Executive Director's data adequacy recommendation for GWF Energy, LLC's Application for Certification of the GWF Tracy Combined Cycle Power Plant Project. The existing 169-megawatt (MW) peaking power facility will be converted into a combined-cycle power plant with a new nominal generating capacity of 314 MW, in San Joaquin County, California.

Commissioner Byron moved and Commissioner Douglas seconded approval of the Executive Director's recommendation that the AFC be found data adequate. The vote was unanimous. (5-0)

- b. Possible appointment of a siting committee for the GWF Tracy Combined Cycle Power Plant Project.

Chairman Pfannenstiel appointed Commissioner Douglas presiding member and Commissioner Rosenfeld second member of the siting committee for the GWF Tracy project. Commissioner Byron moved and Commissioner Boyd seconded approval of the appointment. The vote was unanimous. (5-0)

4. LOS MEDANOS ENERGY CENTER (98-AFC-1C). Possible approval of Los Medanos Energy Center, LLC's petition to add a 4,950 foot long transmission line from Los Medanos Energy Center (LMEC) to the Dow Pittsburg Facility, (DOW) owned by Dow Chemical Company, located east of LMEC. This transmission line will be a dedicated line allowing Los Medanos Energy Center LLC's parent company (Calpine Corporation) and Dow Chemical Company to decommission an older, less efficient power plant at the DOW facility. Contact: Ron Yasny. (10 minutes)

Commissioner Byron moved and Commissioner Douglas seconded approval of the petition. The vote was unanimous. (5-0)

5. UC ENERGY INSTITUTE. Possible approval of Contract 500-08-006 for \$2,394,375 with the Regents of the University of California, Office of the President to fund the Center for the Study of Energy Markets (CSEM) at the UC Energy Institute. CSEM will conduct research in market design and operation for 42 months, beginning October 1, 2008. (PIER electricity and natural gas funding.) Contact: Mike Gravely. (10 minutes)

Item 5 was held over to the September 24 Business Meeting.

6. UC DAVIS. Possible approval of Contract 500-08-005 for \$300,000 with the Regents of the University of California, Davis to expand and enhance CALVIN, a water resources management tool. The project will include a module to track the energy implications of measures the state may implement in the water sector to cope with climate change. (PIER electricity funding.) Contact: Guido Franco. (5 minutes)

Item 6 was held over to the September 24 Business Meeting.

7. UC SANTA BARBARA, BREN SCHOOL OF ENVIRONMENTAL SCIENCE & MANAGEMENT. Possible approval of Work Authorization MRA-02-078 for \$397,000 under Contract 500-02-004 with The Regents of the University of California – Office of the President/CIEE. Researchers at UC Santa Barbara's Bren School of Environmental Science & Management will provide a statewide overview of potential effects on California's wildlife species and water use due to changes in crops and farming practices to generate renewable biofuel feedstocks. (PIER electricity funding.) Contact: Joe O'Hagan. (5 minutes)

Item 7 was held over to the September 24 Business Meeting.

8. ALTOSTRATUS, INC. Possible approval of Contract 500-08-007 with Altostratus, Inc. for \$200,000 to conduct modeling and analysis to predict the air quality and electricity impacts of potential urban heat island mitigation strategies. (PIER electricity funding.) Contact: Marla Mueller. (5 minutes)

Item 8 was held over to the September 24 Business Meeting.

9. SHANDAM CONSULTING SERVICES. Possible approval of California Multiple Award Schedule Contract 08-409.00-002 for \$196,500 with Shandam Consulting Services for specialized information technology network engineering and architecture services. The work supports critical projects, including the Energy Commission's Disaster Recovery and Network Contingency Plan, document management systems, Hearing Room A and B upgrades, replacing the existing uninterruptable power supply, and Novell GroupWise to Microsoft Exchange migration. (ERPA funding.) Contact: Derek Davis. (5 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of Contract 08-409.00-002. The vote was unanimous. (5-0)

10. STANFIELD SYSTEMS, INC. Possible approval of Amendment 1 to Contract 3360-56 with Stanfield Systems, Inc. to change the system design deliverable and payment

schedule from a single payment of \$393,900 to five separate payments spread out over the contract term. The contract is to develop the software application and provide technical support during the six-month pilot phase of DynaSim, a new transportation energy demand forecasting tool. Contact: Malachi Weng-Gutierrez. (5 minutes)

Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of Amendment 1 to Contract 3360-56. The vote was unanimous. (5-0)

11. **EQUIVALENT RATING NETWORK.** Possible approval of an Order finding that the Energy Commission is an “Equivalent Rating Network” and that its approved energy performance measurement methods are “Equivalent Calculation Procedures” for qualifying newly constructed California homes for federal tax credits. Internal Revenue Service Notice 2008-35 authorizes state agencies that establish building energy performance standards to be “Equivalent Rating Networks.” Certified Home Energy Raters, and others authorized to use state-approved energy performance measurement methods, are eligible to certify that homes comply with federal energy tax credit rules. Contact Bill Pennington. (10 minutes)

Commissioner Rosenfeld moved and Commissioner Byron seconded approval of the Order. The vote was unanimous. (5-0)

12. **Minutes**

Approval of the August 27, 2008 Business Meeting Minutes.

Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of the August 27 Minutes. The vote was unanimous. (5-0)

13. **Commission Committee Presentations/Discussion**

Chairman Pfannenstiel announced new committee assignments. Chairman Pfannenstiel will chair the Research, Development and Demonstration Committee, Commissioner Rosenfeld will chair the Efficiency Committee, and Vice Chair Boyd will be the associate member of the 2009 IEPR Committee, which Commissioner Byron will chair. Commissioner Byron moved and Commissioner Boyd seconded approval of the appointments. The vote was unanimous. (5-0)

14. **Chief Counsel's Report** – Chief Counsel Bill Chamberlain introduced two new members of his staff, attorneys Melanie Moultry and Galen Lemei.
15. **Executive Director's Report** – Executive Director Melissa Jones gave the report.
16. **Legislative Director's Report** – None.
17. **Public Adviser's Report** – Public Adviser Elena Miller gave the report.
18. **Public Comment** – None.

There being no further business, the Commission adjourned to a closed session pursuant to Government Code Section 11126(e)(3).

Appearances:

Mr. Michael Carroll, Latham & Watkins, LLP

Mr. Douglas Wheeler, GWF Energy, LLC

Mr. Jeffery D. Harris, Ellison, Schneider and Harris, LLP

Ms. Barbara McBride, Calpine

Mr. Dale Schell, Dow Chemical Company

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission